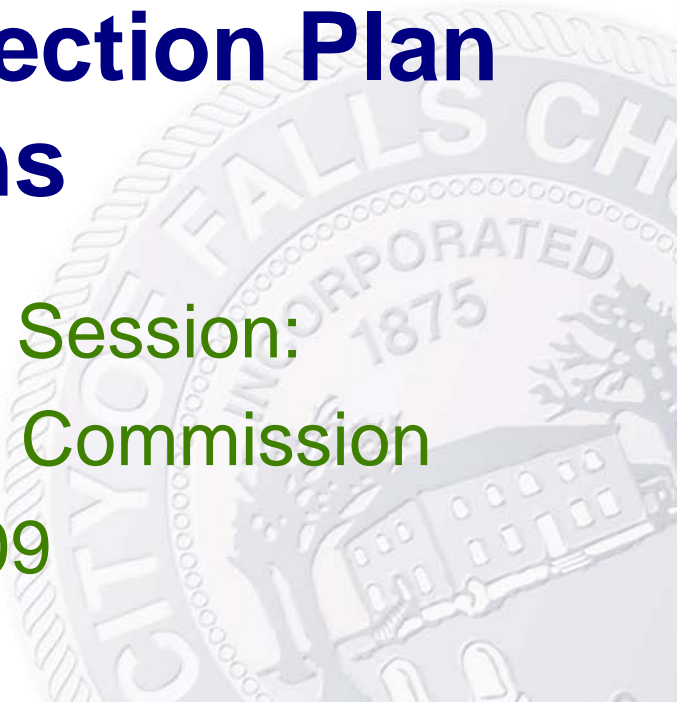




FY2010 Budget Projected Shortfall: City Manager's Correction Plan and Options

City Council Joint Work Session:
School Board and Planning Commission
October 19, 2009

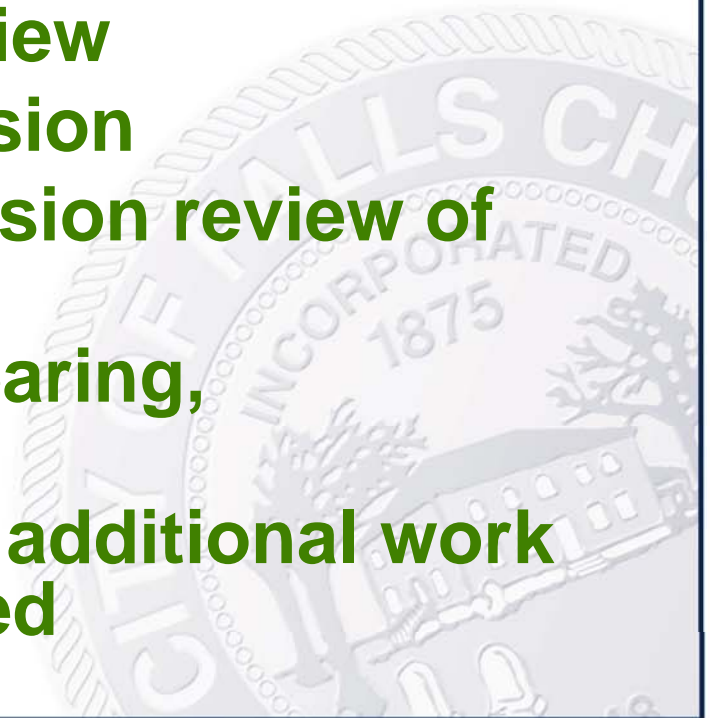


Work Session Goals

- Present FY2010 proposed action plan
- Present additional options/alternatives
- Outline process and timeline
- Review proposed CIP holds
- Review proposed Operating Budget Cuts
- Provide in-put on both the general strategy and on specific cuts
- Decisions are not anticipated tonight

Process & Timeline

- Oct. 19 – Joint work session
- Oct. 26 – Council Public Hearing
- Oct. 27 – School Board review
- Nov. 2 – Council work session
- Nov. 2 – Planning Commission review of CIP freeze
- Nov. 9 – Council Public Hearing, Resolution
- Other – Council may hold additional work sessions as needed



FY10 Shortfall Components

\$4.1m Property Taxes

\$1.5m All Other Revenues

\$5.6m Total



Manager's Recommendation Property Tax Shortfall

- **Freeze Capital Improvements Program**
\$5.2m unobligated CIP Funds
 - \$2.1m to bring FY09 to 8% policy
= \$3.1m available for FY10
- **Sell surplus properties: \$1.2m**
(215 S. Lee [\$452k] and Pendleton House)
- **FY10 Spring Tax Billing Revenues**

Manager's Action Plan

Recommendation - other taxes

\$ 300k	School Reductions
100k	OPEB Overfunding
1.1m	General Govt Reductions:
500k	Personnel (Hiring Freeze)
600k	<u>Non-Personnel</u>
\$ 1.5m	Operating Expense Reductions

Alternatives

- **Revenues**
 - **Real Estate Tax Increase for December billing**
 - **Immediate increase in Meals Tax**
 - \$250k per % increase (assuming Jan 1 start)
 - **Immediate increase in Cigarette Tax**
 - **Immediate enactment of Solid Waste and/or for Stormwater fees**
 - **Sale of “surplus” properties**

Alternatives

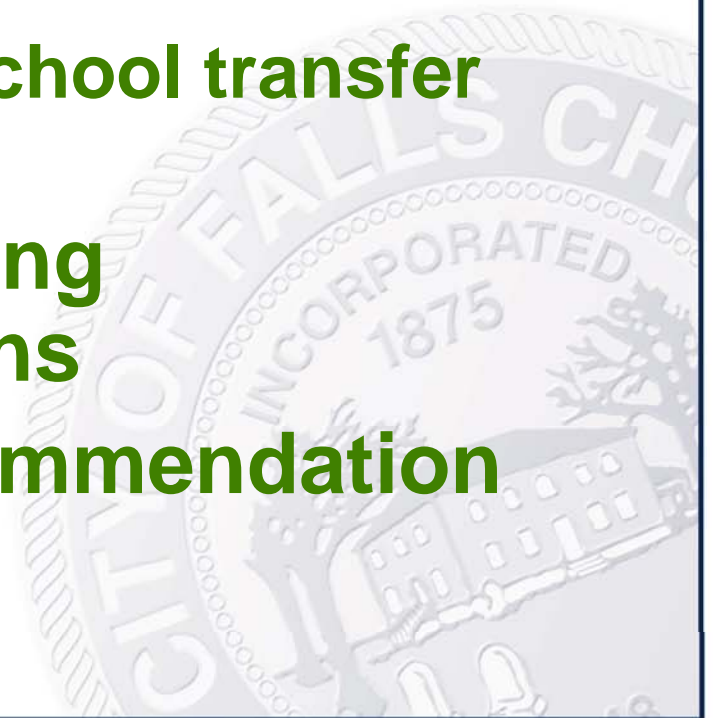
- **Expenditures**
 - **Modify proposed cuts (alternative line of service reductions)**
 - **Pay reduction**
 - **Deferred comp match reduction**
 - **Reduce base pay**
 - **Furloughs**
 - **\$ 37k per day**
 - **Non-public safety; reduce services/close functions**
 - **Layoffs**



School Reductions

Superintendent's proposal

- \$500k in reductions
- \$300k net reduction in School transfer amount
- School Board is reviewing recommended reductions
- School Board final recommendation pending



Capital Improvements Program Reductions

**FY10 Budget Shortfall
Action Plan Component**

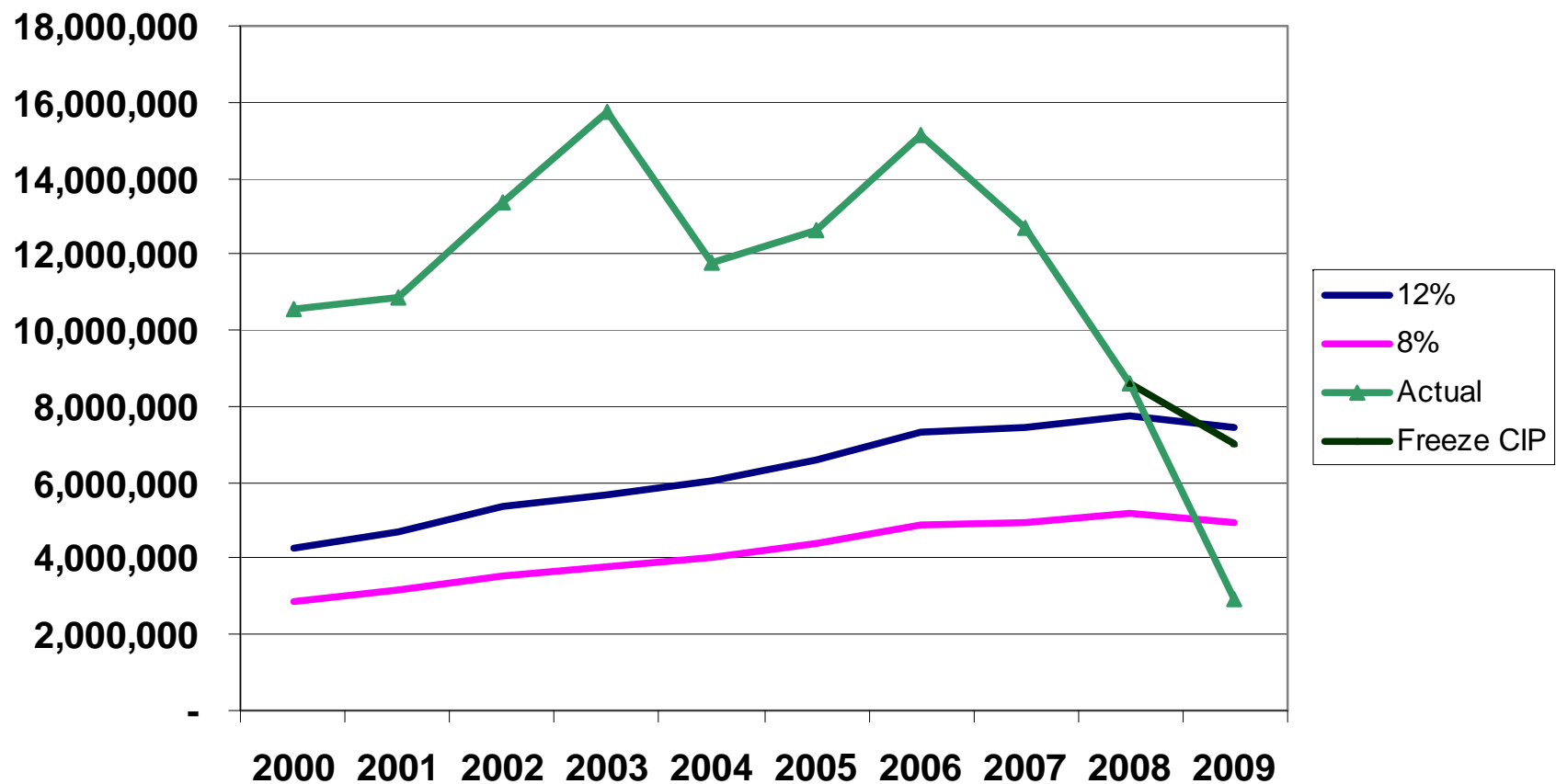


Financial Policy Requirements

- **Fund Balance: 12 % Target**
 - if fund balance falls below 8% of annual revenues, it must return to 8% in 2 years and back to 12% in 5 years.
 - If fund balance falls below 12% of annual revenues, it must return to 12% within 3 years
- **The FY11-15 CIP will achieve the 12% goal within the required 3 years**

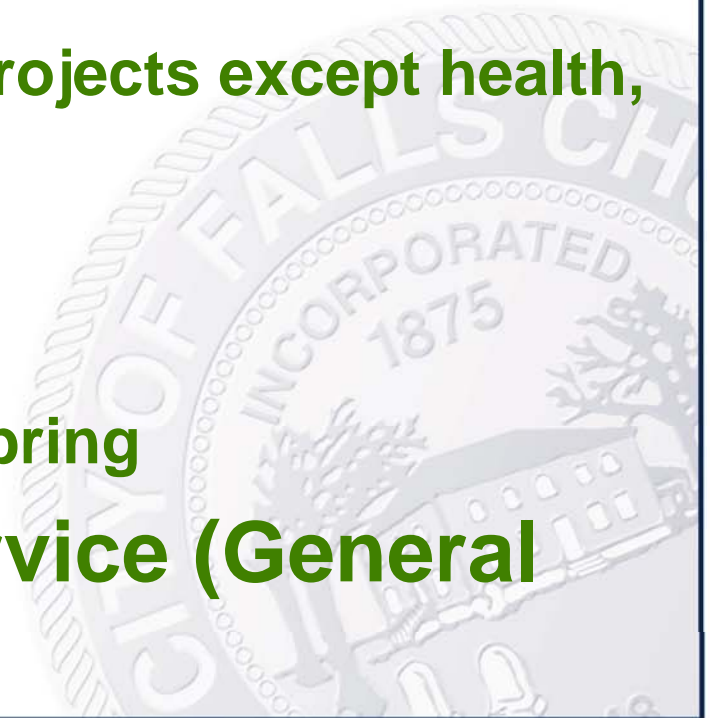
Effect of Freezing PAUG CIP on Fund Balance

Fund Balance - actual vs policy



CIP Action Plan: Criteria & Approach

- **Address CIP in two phases**
 - **FY2010 shortfall:**
 - “Hold” FY2010 and prior projects except health, safety, local match
 - **Long Range Planning:**
 - FY2011-2015 CIP
 - Reassess “holds” in the spring
- **No new FY2010 debt service (General Fund)**



Local Funding CIP Summary (PAUG only)

Available Funding	Total Proposed “Hold”	Remaining funds available to spend
\$5,243,762	\$4,221,145	\$1,022,617

Continuing Infrastructure Projects

- **General Government and School critical facility & system maintenance**
- **Radio replacement field crew operational & emergency interoperability**
- **Hamlett and West End Park Site Plans**
- **Roberts Park playground equipment replacement**



Continuing Infrastructure Projects

- **Broad Street improvements (TEA-21)**
- **Storm water improvement projects (STAG)**
- **Transportation projects:**
 - **Pedestrian & Traffic Calming (RSTP \$300k))**
 - **Sidewalk and Traffic Calming (ARRA NVT A \$325K)**



CIP Grant/Local Match Summary

Project	Available Grant (federal)	Required Match	Impact
City Center Improvements	\$4,053,840	\$82,487	Leverages \$: road/transit improvements
Intermodal Transit Center	\$1,668,000	\$417,000	Leverages \$: parking and multi-modal
Broad Street Improvements (20%)	\$185,000	\$46,250	Leverages \$: undergrounding/ roadbed/ streetscape
FFY09 STAG Day Lighting Grant	\$500,000	\$225,000	Leverages \$: storm water Pearson/Coe
TOTAL	\$6,406,840	\$770,737	(8:1 ratio)

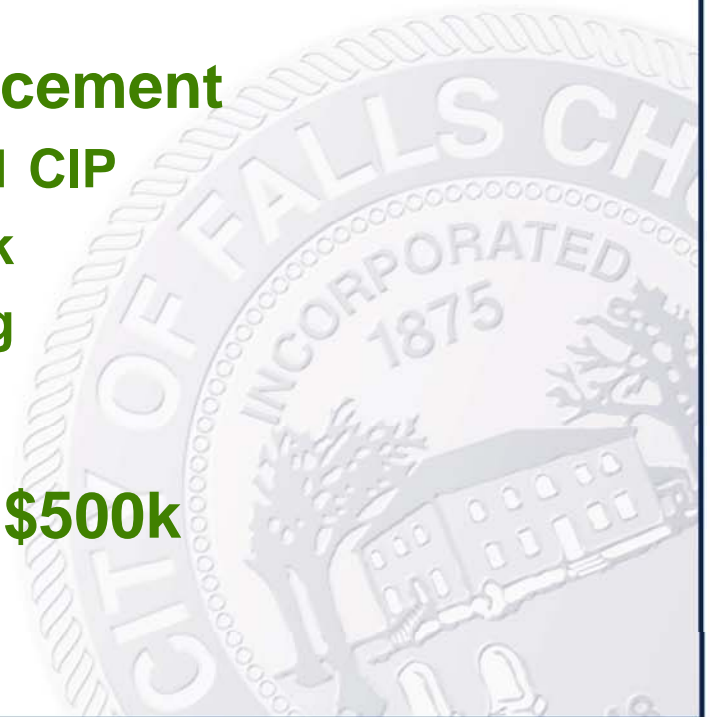
Grant Funding Opportunities Not in CIP

Transportation:

- **Transit Capital Equipment/Facility Funding**
 - FTA \$728k: bus replacement/overhaul;/bus shelters
 - no match
- **Rt. 7 Transit Service Enhancement**
 - 20% match requirement/ FY11 CIP
 - FFY10 Regional Study - \$350k
 - SAFETEA-LU - \$2.5m pending

Day Lighting/Storm Water

- **Federal FY10 day lighting - \$500k**
 - 45% match not funded
 - TBD in FY11 CIP



School Board CIP Review

- **Superintendent proposed:**
 - **Freeze \$521k**
 - **Facility long range planning: retain \$50k**
 - **Facility system renewal: retain \$185k**
- **School Board analysis underway**
 - **October 27: review and recommend**

Category: Schools (Proposed)

Project	Budget	Post hold: \$ available for project	Impact
School Facilities Study	\$218,200	\$50,000	Current contract fully funded; retain options for additional research
System Renewal	\$ 535,848	\$185,000	Funds critical system maintenance items only
TOTAL	\$754,048	\$235,000	

Category: Facilities (proposed)

Project	Budget Available	Post hold: \$ available for project	Impact
City Facilities Reinvestment	\$199,180	\$150,000	Funds critical system maintenance items only
West Wing Renovation	\$175,000	\$0	Project for business counter & staff efficiency fully on hold
Signage	\$9,450	\$0	Completed; funding no longer required
ADA Compliance	\$11,564	\$0	Requires alternative accommodation
City Hall Improvements	\$323,500	\$0	No external community process/ A&E
TOTAL	\$718,694	\$150,000	

Category: Transportation (proposed)

Project	Budget Available	Post hold: \$ available for project	Impact
Washington Street Design	\$43,335	\$0	None; project to be completed without contingency \$
Broad Street Improvements	\$762,766	\$46,250	Retains match \$; completes one segment
TOTAL	\$806,101	\$46,250	

Category: Storm Water/ Public Works (proposed)

Project	Budget Available	Post hold: \$ available for project	Impact
Kent Street	\$33,854	\$33,854	Funding for project completion
Day lighting*: (Pearson/Coe/ DCR grant) *FFY09 grant/ match; \$100k in UF operating	\$1,351,294	\$435,131 (corrected figure 10-20-09)	Leverages federal \$ for storm water & completes DCR grant
Tripps Run Stream Bank	\$300,000	\$0	No \$ to partner with FFx. Co. on down stream sediment
TOTAL	\$1,685,148	\$468,985	

Category: Parks (proposed)

Project	Budget Available	Post hold: \$ available for project	Impact
Rectangular Athletic Field	\$473,000	\$0	Project fully on hold
Frady Park	\$95,405	\$0	No landscaping or remainder of master plan components
Park Master Plan	\$242,089	\$64,000	Completes West End/Hamlett site plan and Roberts Park play equip; rest of master plans on hold

Category: Parks (proposed)

Project	Budget Available	Post hold: \$ available for project	Impact
Big Chimney	\$50,000	\$0	No advance design work of City Center South
Hamlett Park Plan	\$88,505	\$0	No plan implementation beyond site plan
Skate Park	\$175,000	\$0	Project fully on hold
TOTAL	\$1,123,999	\$64,000	

Category: Technology (proposed)

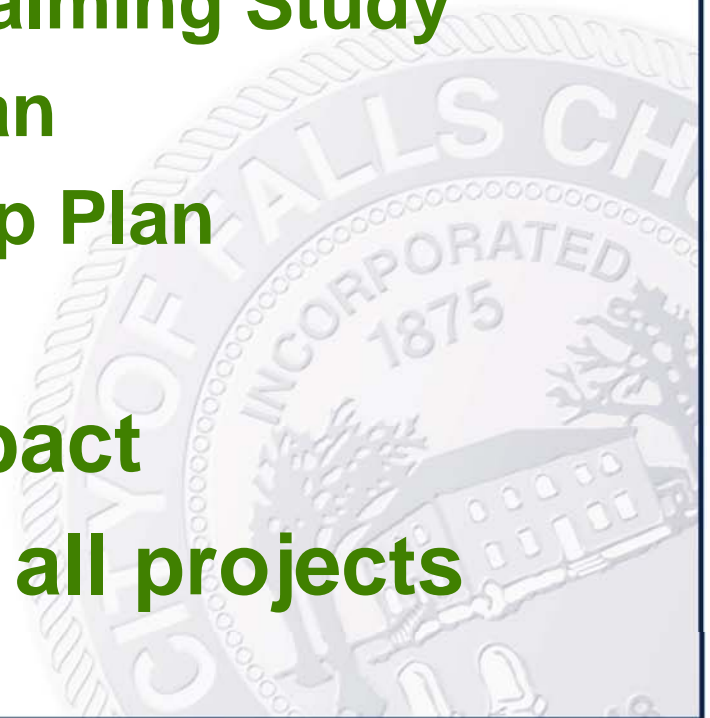
Project	Budget Available	Post hold: \$ available for project	Impact
Document Management	\$25,000	\$0	Project for digital inventory & searching program fully on hold
Radio Upgrade	\$130,772	\$60,000	Short term plan to convert to digital on PS channel; keeps existing system operational
TOTAL	\$155,772	\$60,000	

Open Space

- **Remaining fund balance - \$1.1m**
 - On hold until Spring 2010 reassessment
- **215 S. Lee Street proceeds**
 - \$452k on hold
- **FY08/09 acquisitions on S. Lee Street & E. Jefferson (\$150,068)**
- **Retained funding for Coe Branch/ Sherrow Avenue park day lighting project (\$60,000)**

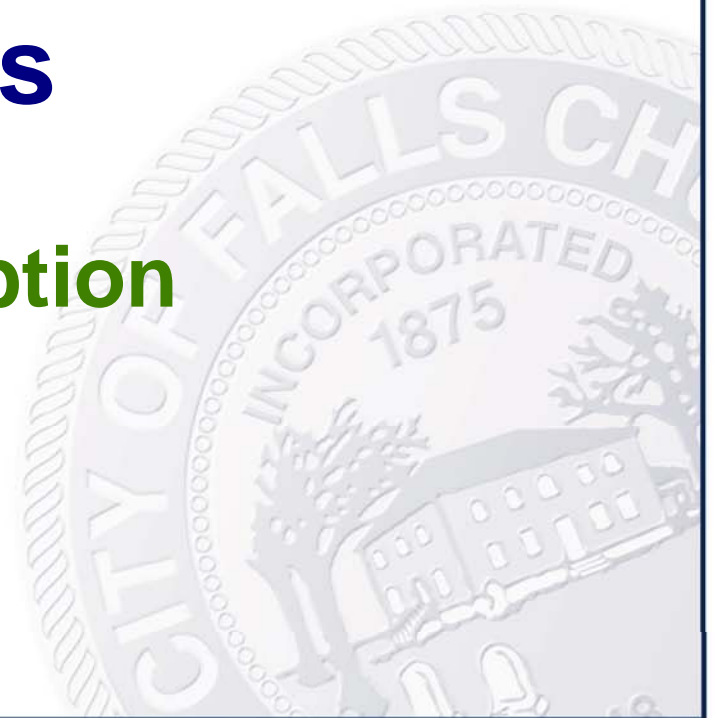
Debt Service Funded Projects

- **To be reviewed in FY2011-15 CIP with:**
 - **Facility Needs Studies**
 - **Pedestrian and Traffic Calming Study**
 - **N. Washington Street Plan**
 - **Transportation and Comp Plan**
 - **City Center Parking Plan**
- **No FY2010 financial impact**
- **Reassess and prioritize all projects**



General Government Reductions

Detailed Description



Manager's Action Plan

Recommendation - other taxes

\$ 300k School Reductions

1.2m General Govt Reductions:

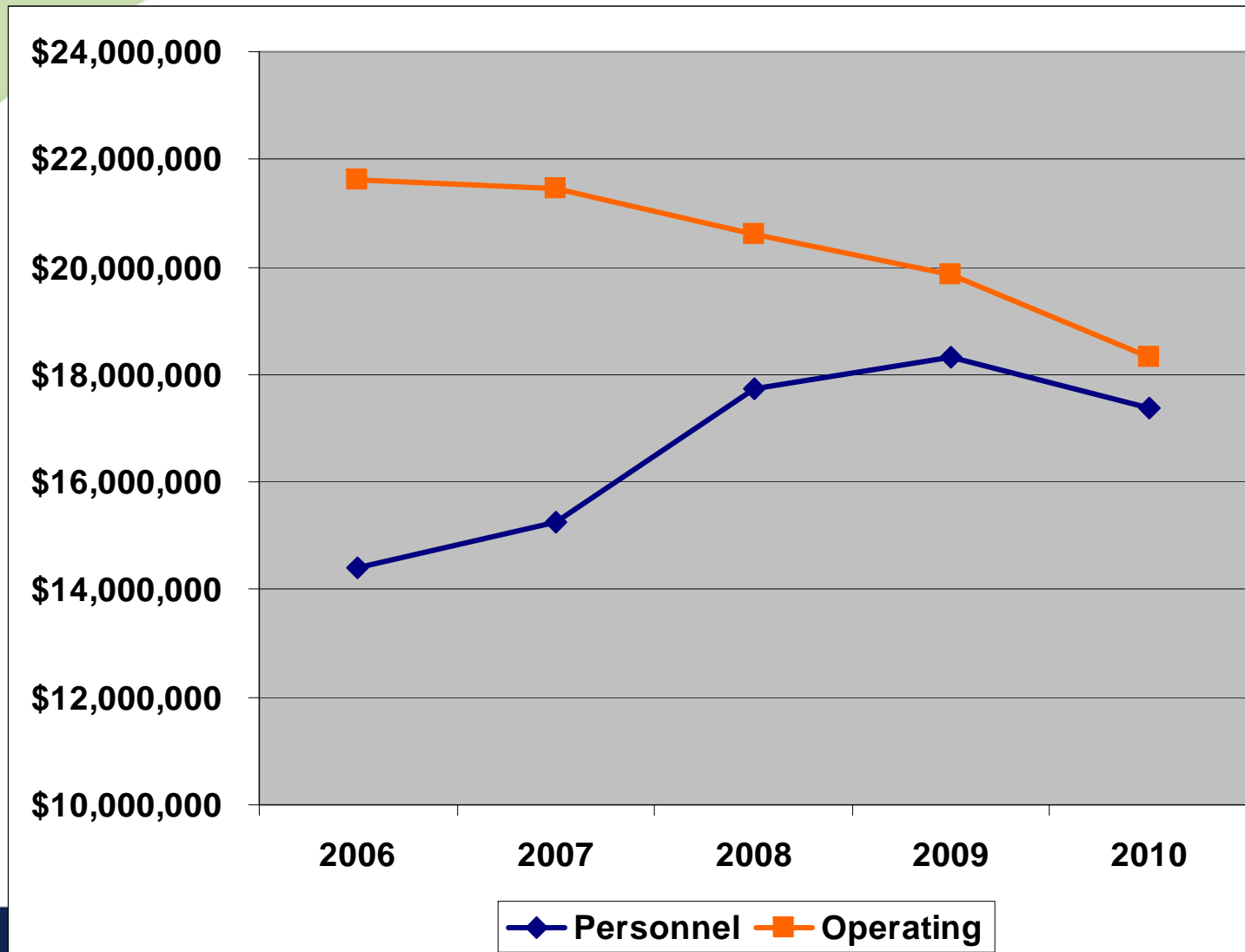
500k Personnel (Hiring Freeze)

600k Non-Personnel

100k OPEP Overfunding

\$ 1.5m Operating Expense Reductions

Operating Cost Trends



Vacancies Affected by Hiring Freeze (\$500,000)

- Contract Manager (DES)
- 2 Maintenance Workers (DES)
- Senior Crew Leader (DES)
- HR Assistant (.625)
- Maintenance Worker (Library)
- Librarian (.7)
- Urban Forestry Manager
- Senior AA for Economic Development
(currently a temporary part-time employee)



Proposed Reductions to Non-Personnel Expenses

	Budget	Non-Personnel	Cuts	Reduction as % of non-pers.
Executive	3,731,172	1,592,578	150,948	9.5%
Administrative	1,181,519	169,750	15,500	9.1%
Public Safety	6,158,027	1,525,973	55,000	3.6%
Environmental Services	5,748,752	3,340,591	172,199	5.2%
Development Services	1,720,292	502,618	67,000	13.3%
Community Services	7,015,842	2,624,520	127,263	4.8%
Constitutional & State	2,099,431	465,578	12,300	2.6%
Total	27,655,036	10,221,607	600,210	5.9%

Executive Services

	Budget	Non- Personnel	Cuts	Reduction as % of non- pers.
City Manager	491,998	26,946	5,400	20.0%
Communications	358,250	80,950	1,700	2.1%
Human resources	462,324	173,568	73,100	42.1%
Risk Management	176,040	78,950	900	1.1%
IT	1,217,552	1,103,652	64,298	5.8%
Economic Development	412,180	58,500	4,500	7.7%
City Attorney	324,674	21,010	1,050	5.0%
Total	3,443,018	1,543,576	150,948	9.8%

Administrative Services

	Budget	Non- Personnel	Cuts	Reduction as % of non- pers.
RE Assessment	324,592	46,625	1,500	3.2%
Finance	856,927	123,125	6,000	4.9%
Non-departmental	-	-	8,000	
Total	1,181,519	169,750	15,500	9.1%

Public Safety

	Budget	Non- Personnel	Cuts	Reduction as % of non- pers.
Police Chief	422,286	130,852	4,700	3.6%
Red Light camera	488,869	441,600	34,100	7.7%
Police Operations	2,408,441	270,745	-	0.0%
Police Services	1,374,991	241,434	1,200	0.5%
Dispatch	450,065	31,180	-	0.0%
Volunteer fire dept	302,924	302,924	-	0.0%
Building inspections	426,979	50,503	15,000	29.7%
Animal Control	91,081	3,310	-	0.0%
Emergency Operations	192,393	53,425	-	0.0%
Total	6,158,027	1,525,973	55,000	3.6%

Environmental Services

	Budget	Non- Personnel	Cuts	Reduction as % of non- pers.
PW Administration	783,827	189,214	4,000	2.1%
Street & Highway	1,376,481	669,365	72,100	10.8%
Storm Water	600,248	375,000	12,500	3.3%
Snow removal	143,993	106,307	-	0.0%
Traffic Signal	368,000	368,000	-	0.0%
Street Cleaning	65,000	65,000	-	0.0%
Solid Waste	596,426	256,493	-	0.0%
Recycling	330,808	246,515	10,000	4.1%
Leaf collection	172,041	70,113	-	0.0%
General Services	665,534	665,534	73,599	11.1%
Motor Pool	646,395	329,050	-	0.0%
Environmental Services	5,748,752	3,340,591	172,199	5.2%

Development Services

	Budget	Non- Personnel	Cuts	Reduction as % of non- pers.
Planning	746,150	127,781	27,000	21.1%
Urban forestry	711,087	363,502	40,000	11.0%
Zoning	263,055	11,334	-	0.0%
Total	1,720,292	502,618	67,000	13.3%

Community Services

	Budget	Non- Personnel	Cuts	Reduction as % of non- pers.
Park Maintenance	359,028	172,425	11,500	6.7%
Recreation	907,848	314,781	5,000	1.6%
Programs & special event	1,257,168	899,864	40,000	4.4%
Athletic progrms	249,007	179,066	-	0.0%
HHS	697,375	29,821	3,250	10.9%
Library	1,952,611	397,980	11,013	2.8%
Aurora House	724,683	96,199	-	0.0%
Court Services	399,401	65,664	-	0.0%
Juvenile Programs	468,720	468,720	56,500	12.1%
Total	7,015,842	2,624,520	127,263	4.8%

Constitutional and State Offices

	Budget	Non- Personnel	Cuts	Reduction as % of non- pers.
COR	641,490	26,281	-	0.0%
Treasurer	417,336	67,343	-	0.0%
Sheriff	763,914	256,981	12,300	4.8%
Courts	28,931	28,931	-	0.0%
Registrar	247,761	86,042	-	0.0%
Total	2,099,431	465,578	12,300	2.6%

OPEB Overfunding

\$100,000

- Proposal:
 - Return \$100,000 in overfunding for post retirement health benefits fund
 - Currently \$250,000 overfunded
 - Removing \$100,000 allows the known increase for FY11 to be covered



Process and Timeline Review

- **October 19 Joint Work Session:**
 - present CIP cuts in detail
 - present \$1.5m in operating budget cuts
- **October 26: Council Public Hearing**
- **October 27: School Board Meeting**
- **November 2: Council Work Session**
 - Planning Commission Meeting
- **November 9: Council Meeting: Resolution**
- **November 30: City Council/School Board work session (preparation for FY11 budget)**

Comments and Suggestions:

Send feedback to:
budget@fallschurchva.gov

